

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

WC 08-16
FILE COPY

Approved by OMB
3060-0589
Page No. of

(1) LOCKBOX # 358145		FCC/MELLON FEB 04 2008		SPECIAL USE ONLY	
				FCC USE ONLY	
SECTION A - PAYER INFORMATION					
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Greenberg Traurig, LLP			(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00		
(4) STREET ADDRESS LINE NO. 1 2101 L Street, NW					
(5) STREET ADDRESS LINE NO. 2 Suite 1000					
(6) CITY Washington			(7) STATE D.C.	(8) ZIP CODE 20037	
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 331-3100			(10) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) REQUIRED					
(11) PAYER (FRN) 0008428724			(12) FCC USE ONLY		
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(13) APPLICANT NAME Calence, LLC					
(14) STREET ADDRESS LINE NO. 1 1560 West Fountainhead Parkway					
(15) STREET ADDRESS LINE NO. 2 2nd Floor					
(16) CITY Tempe			(17) STATE AZ	(18) ZIP CODE 85282	
(19) DAYTIME TELEPHONE NUMBER (include area code) (480) 889-9514			(20) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) REQUIRED					
(21) APPLICANT (FRN) 0014274815			(22) FCC USE ONLY		
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE CUT		(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$965.00		(27A) TOTAL FEE \$965.00		FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2			
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE		(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)		(27B) TOTAL FEE		FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2			
SECTION D - CERTIFICATION					
CERTIFICATION STATEMENT I, <u>Debra McGuire Mercer</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.					
SIGNATURE <u>Debra McGuire Mercer</u>			DATE <u>February 4, 2008</u>		
SECTION E - CREDIT CARD PAYMENT INFORMATION					
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____					
ACCOUNT NUMBER _____			EXPIRATION DATE _____		
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.					
SIGNATURE _____			DATE _____		

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

JULY 2005

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of the Joint Application of)

Calence, LLC, Transferor)

and)

Insight Networking Services, LLC, Transferee)

For Grant of Authority Pursuant to)
Section 214 of the Communications Act of 1934,)
as amended, and Section 63.04 of the)
Commission's Rules to Complete a Transfer of)
Control of Calence, LLC, an Authorized)
Domestic Section 214 Carrier, to Insight)
Networking Services, LLC)

WC Docket No. 08-_____

JOINT APPLICATION

I. INTRODUCTION

A. Summary of Transaction

Calence, LLC ("Calence" or "Transferor") and Insight Networking Services, LLC ("Insight" or "Transferee") (collectively, "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act or 1934, as amended, 47 U.S.C. § 214, and Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, respectfully request Commission approval or such authority as may be necessary or required to enable the Applicants to consummate a transaction whereby Insight will acquire control of Calence, a non-dominant competitive resale carrier holding Section 214 authority to provide global

resale service as well as blanket authority from the Commission to provide interstate telecommunications services.¹

Although the proposed transaction will result in a change in the ultimate ownership and control of Calence, no assignment of authorizations or transfer of assets or customers will occur as an immediate consequence of the proposed transaction. Calence will continue to provide service to its existing approximate 191 residential and 65 commercial customers predominantly within a single building in New York, as described below, pursuant to its authorizations and in accordance with the same rates, terms and conditions as exist pre-merger. Accordingly, this transaction will have no effect on the rates, terms and conditions or service provided to the customers of Calence, and the merger will be transparent to them.

B. Request for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03 of the Commission's Rules, 47 C.F.R. § 63.03. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, Transferee (and its Affiliates) will have a market share in the interstate, interexchange market of substantially less than ten percent (10%), and the Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service.

¹ Calence is the result of an asset contribution by Calence Holdings, Inc (formerly Calence, Inc.) and Avnet.

Additionally, Applicants note that on January 24, 2008 they executed an Agreement and Plan of Merger (the "Merger Agreement") which sets a closing date of March 1, 2008, or if specified conditions, including the requested approval, have not been satisfied, of April 1, 2008. A condition to closing the transaction is the within requested approval. Applicants have attempted to include as much detail in this Application as possible to support rapid processing within the parameters of the Commission's rules, and the Applicants remain willing to submit any additional information so as to facilitate processing.

In support of this Application, Applicants provide the following information:

II. DESCRIPTION OF THE APPLICANTS

A. Calence, LLC

Calence is a Delaware limited liability company, with its principal place of business at 1560 West Fountainhead Parkway, 2nd Floor, Tempe, Arizona 85282. In addition to its information technology ("IT") network solutions and management services, Calence is a competitive carrier that provides resold local, interstate and international telecommunications services to approximately 65 commercial and 191 residential subscribers, all but one of which are contained within a single building, the Time Warner Center, in New York, New York.²

B. Insight Networking Services, LLC

Insight is a Delaware limited liability company organized for the purpose of acquiring Calence, and is an indirect wholly-owned subsidiary of Insight Enterprises, Inc. ("Insight

² The remaining customer is a commercial subscriber located in a nearby Manhattan office building.

Enterprises”). Insight Enterprises, a publicly traded company listed on the NASDAQ exchange, is a Delaware corporation with its registered place of business at 1305 West Auto Drive, Tempe, Arizona 85284. Insight Enterprises is a leading provider of brand-name IT hardware, software and services to large enterprises, small-to-medium-sized businesses (“SMB”) and public sector institutions globally, with 80% of its sales and 82% of its earnings from its U.S. operations.

C. Section 214 Authorizations

(1) Calence holds blanket domestic Section 214 authority to provide interstate telecommunications service pursuant to 47 C.F.R. § 63.01. Calence also holds international Section 214 authority to provide global or limited global resale services between the U.S. and international points, granted in IB File No. ITC-214-20050919-00371.

(2) Neither Insight, Insight Enterprises, nor any of their affiliates or subsidiaries, holds any FCC authorizations.

III. DESCRIPTION OF THE TRANSACTION

Pursuant to the Merger Agreement, Insight Enterprises will acquire from Calence 100% of the membership interests of Calence through the merger of Insight and Calence. Calence will be the surviving company. Upon consummation of the transaction, Calence will be an indirect wholly-owned subsidiary of Insight Enterprises. A post-transaction organization chart is attached as Exhibit A hereto. As a result of the transaction, Insight will own and control Calence through a series of wholly-owned subsidiaries.

Following the consummation of the proposed transaction, Calence will continue to offer service with no change in the rates or terms and conditions of service. There will be no interruption or disruption of service to customers, and the transfer of control of Calence will

be seamless and transparent to customers. Future changes in the rates, terms and conditions of service to Calence's customers, if any, will be undertaken pursuant to the applicable federal and state notice and tariff requirements and Calence's contractual obligations.

IV. INFORMATION REQUIRED BY SECTION 63.04(a)

Pursuant to Commission Rule 63.04(a), 47 C.F.R. § 63.04(a), Applicants submit the following information in support of their request:

(a)(1) Name, address and telephone number of each Applicant:

Transferor:

Company:	Calence, LLC	FRN: 0014274815
Address:	1560 West Fountainhead Parkway	
	Tempe, Arizona 85282	
Telephone:	480-889-9500	
Facsimile:	480-889-9599	

Transferee:

Company:	Insight Networking Services, LLC	FRN: 0017388984
Address:	6280 South Harl Drive	
	Tempe, Arizona 85283	
Telephone:	480-333-3049	
Facsimile:	480-760-8506	

(a)(2) Jurisdiction of Organizations:

Transferor: Calence is a limited liability company formed under the laws of Delaware, with its principal place of business in Tempe, Arizona.

Transferee: Insight is a Delaware limited liability company and an indirect wholly-owned subsidiary of Insight Enterprises.

(a)(3) Correspondence concerning this Application should be sent to:

For Insight:

Steven Andrews, General Counsel
Insight Enterprises, Inc.
1305 West Auto Drive
Tempe, Arizona 85284
480-333-3049 (Tel)
480-760-8506 (Fax)
steven.andrews@insight.com

With copies to:

John Beahn, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
202-371-7392 (Tel)
202-393-5760 (Fax)
jbeahn@skadden.com

For Calence:

Joseph Hamilton
General Counsel
Calence, LLC
1560 West Fountainhead Parkway
Tempe, Arizona 85282
480-889-9500 (Tel)
480-212-7439 (Fax)
Joseph.hamilton@calence.com

With copies to:

Judith O'Neill
Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
(212) 801-9387 (Tel)
(212) 805-9387 (Fax)
oneillj@gtlaw.com

(a)(4) Following the merger, the following entities will hold, directly or indirectly, a ten percent (10%) or greater interest³ in Calence as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:

Post-Transaction Ownership of Calence:

- 1) The following entities will hold a ten percent (10%) or greater direct or indirect interest in Calence, LLC:

³ Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

Name: Insight Enterprises, Inc.
Address: 1305 West Auto Dr.
Tempe, Arizona 85284
Citizenship: U.S.
Principal Business: IT solutions and hardware and software product
supplier
% Interest: 100% (indirectly through a series of wholly-owned
subsidiaries, pursuant to the Insight organizational chart
attached as Exhibit A)

Name: Insight Direct Worldwide, Inc.
Address: 6280 South Harl Drive
Tempe, Arizona 85283
Citizenship: U.S.
Principal Business: IT solutions and hardware and software product
supplier
% Interest: Owned 100% by Insight Enterprises, Inc.

Name: Insight North America, Inc.
Address: 6280 South Harl Drive
Tempe, Arizona 85283
Citizenship: U.S.
Principal Business: IT solutions and hardware and software products
supplier
% Interest: Owned 100% by Insight Direct Worldwide, Inc.

Name: Insight Direct USA, Inc.
Address: 6280 South Harl Drive
Tempe, Arizona 85283
Citizenship: U.S.
Principal Business: IT solutions and hardware and software products
supplier
% Interest: Owned 100% by Insight North America, Inc.

Pre- and Post-Transaction Ownership of Transferee:

- 1) **Insight Enterprises, Inc.** is a publicly traded entity listed on the NASDAQ exchange, and, to the best of its knowledge, information and belief, does not have any 10% or greater shareholders.

- 2) Neither Insight Enterprises nor Insight have any subsidiaries or affiliates that provide services regulated as telecommunications services within or outside the U.S.

(a)(5) Applicants certify that no Applicant is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(a)(6) A description of the proposed transaction is set forth in **Section III** above.

(a)(7) (i) Calence provides competitive resale services to approximately 256 subscribers, all of whom are located in New York, New York.

(ii) Insight does not provide telecommunications services in any state, or outside the United States, nor does it have any subsidiaries or affiliates that provide telecommunications services.

(a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. § 63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, Transferee (and its Affiliates) will have a market share in the interstate, interexchange market of substantially less than ten percent (10%), and the Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service. In this regard, we note for the Commission's consideration that the Merger Agreement sets a closing date of March 1, 2008, or if specified conditions, including

the requested approval, have not been satisfied, of April 1, 2008. A key condition to closing is the approval by the Commission of this application. Applicants have attempted to include as much detail in this application as possible to support rapid processing within the parameters of the Commission's rules, and the Applicants remain willing to submit any additional information.

(a)(9) Transferor does not hold any other authorizations or licenses from the Commission, nor does it have any affiliates or subsidiaries that do. Therefore, no other applications are being filed with the Commission with respect to this transaction, with the exception of related electronic filings with the International Bureau, to which this Application is attached.

(a)(10) No party is requesting special consideration because it is facing imminent business failure.

(a)(11) Not applicable.

(a)(12) Applicants submit that the transaction described herein will serve the public interest. Under new ownership, with the considerable resources and technology of Transferee, Calence will continue to provide high-quality resale telecommunications services to consumers, while being able to expand its customer base and provide new and better services as a result of Transferee's greater financial strength. The transfer of control, therefore, will give Transferee the ability to become a stronger competitor, to the ultimate benefit of consumers. Transferor's services complement Transferee's existing IT solutions and resources, giving the combined companies greater market depth and breadth. As a result, the transaction will strengthen the post-transaction entity's ability to compete with other,

much larger providers to the benefit of consumers and the telecommunications and IT markets.


The transfer of control of Calence will not result in a change of carrier for customers or any assignment of authorizations. Further, the rates, terms and conditions of services currently provided by Calence to its customers will not change as a result of the transaction. The transaction will be seamless and transparent to customers, and Transferor will continue to provide high-quality communications services to its customers without interruption. Future changes in rates, terms and conditions, if any, will be undertaken pursuant to the applicable federal and state notice and tariff requirements.

VI. CONCLUSION

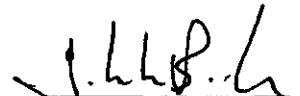
For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be served by the Commission's approval of the transfer of control set forth herein. Accordingly Applicants respectfully request that the Commission grant this Application as expeditiously as possible through its streamlined processing procedures.

Respectfully submitted,

Joseph Hamilton
General Counsel
Calence, LLC
1560 West Fountainhead Pkwy
Tempe, Arizona 85282
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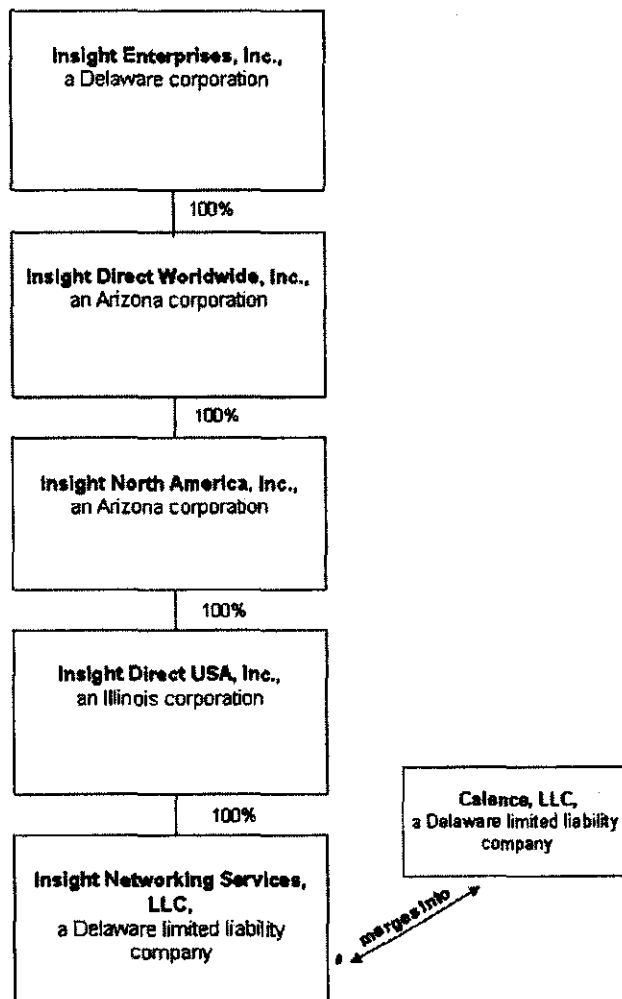
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Washington, D.C. 20005
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(202) 661-9192
jbeahn@skadden.com

Dated: February 4, 2008

EXHIBIT A

Pre- and Post-Transaction Corporation Structure Chart



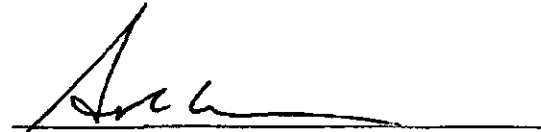
VERIFICATION

STATE OF ARIZONA

§
§
§

COUNTY OF MARICOPA

I, Steven Andrews, hereby state that I am the General Counsel of Insight Enterprises, Inc., which is the indirect 100% owner of Insight Networking Services, LLC (Insight), an Applicant in the foregoing Joint Application; that I am authorized to make this Verification on behalf of Insight; that the foregoing Joint Application was prepared under my direction and supervision; and that the statements with regard to Insight in the foregoing Joint Application are true and correct to the best of my knowledge, information, and belief.


Steven Andrews
General Counsel
Insight Enterprises, Inc.

Sworn and subscribed before me this 1st day of February, 2008.




Notary Public

My Commission Expires

2-18-2011

VERIFICATION

STATE OF ARIZONA

COUNTY OF MARICOPA

§
§
§
§

I, Joseph Hamilton, hereby state that I am the General Counsel of Calence, LLC, an Applicant in the foregoing Joint Application; that I am authorized to make this Verification on behalf of Calence, LLC; that the foregoing Joint Application was prepared under my direction and supervision; and that the statements with regard to Calence, LLC in the foregoing Joint Application are true and correct to the best of my knowledge, information, and belief.



Joseph Hamilton
General Counsel
Calence, LLC

Sworn and subscribed before me this 24th day of January, 2008.



Notary Public

My Commission Expires

Aug 10, 2010